

INTERNAL SERVICE FUNDS

INTERNAL SERVICE FUNDS PROVIDE GOODS AND SERVICES TO OTHER CITY DEPARTMENTS AT THE BEST RATE POSSIBLE. BY CONCENTRATING THE BUYING POWER OF THE CITY IN ONE LOCATION, A BETTER PRICE CAN BE OBTAINED. ADDITIONALLY, CITY EMPLOYEES CAN PERFORM SERVICES THAT WOULD HAVE TO BE PURCHASED OUTSIDE, IF THEY WERE NOT CONCENTRATED, MORE EFFICIENTLY.

INTERNAL SERVICE FUNDS, EXCEPT FOR THE RISK MANAGEMENT FUND, USE A GUIDE OF A 2:1 CURRENT RATIO TO DETERMINE THE DESIRABLE WORKING CAPITAL BALANCE. THE RISK MANAGEMENT FUND'S WORKING CAPITAL BALANCE SHOULD BE MAINTAINED AT THE LEVEL OF AN ACTUARIAL STUDY THAT INCLUDES AN ESTIMATE OF POTENTIAL LOSSES.

705 - RISK MANAGEMENT FUND - To account for the costs of providing worker's compensation, tort and other claims insurance coverage to City departments.

715 - SUPPLIES INVENTORY MANAGEMENT FUND - To account for the costs of providing supplies, warehousing and inventory issuance services to city departments.

725 - FLEET MANAGEMENT FUND - To account for the costs of providing vehicle maintenance and motor pool services to City departments.

735 - EMPLOYEE INSURANCE FUND - To account for the costs of providing group health and dental insurance to City employees.

745 - COMMUNICATIONS MANAGEMENT FUND - To account for the costs of providing communication services to City departments.

Internal Service Funds
FY/05 Revenues, Appropriations and Working Capital Balances

| Funds (\$000's) | Beginning Balances | Total Resources | Total Appropriations | Total Adjustments | Ending Balances |
|-------------------------------|-------------------------------|----------------------------|---------------------------------|------------------------------|----------------------------|
| Risk Management | 17,850 | 32,659 | 29,641 | 0 | 20,868 |
| Supplies Inventory Management | 290 | 624 | 674 | 0 | 240 |
| Fleet Management | 531 | 9,352 | 9,411 | 0 | 472 |
| Employee Insurance | 860 | 37,613 | 37,467 | 0 | 1,006 |
| Communications Management | 241 | 1,215 | 1,272 | 0 | 184 |
| Total | 19,772 | 81,463 | 78,465 | 0 | 22,770 |